

**EL DORADO COUNTY BOARD OF SUPERVISORS
FINAL BUDGET HEARINGS – Key Policy Issue Discussions
FISCAL YEAR 2008-09 BUDGET**

Monday, September 15

Budget Overview / Countywide Issues

- Review Budget Development Timeline
- Identification of Key Policy Issues
- Outline Budget Hearing Process

Law and Justice

- Sheriff's Staffing Allocation
- Casino Revenue/Service Impact Overview
- Murder Trials Impact
- Court Facilities Transfer

Land Use & Development Services

- Department of Transportation – TIM Fees/Organizational Structure

Wednesday, September 17

Health and Human Services

- Veteran's Services
- SB 163 Wrap Services
- Mental Health

General Government

- Revenue Recovery Transfer
- IT Equipment Replacement
- Aid to Fire
- Assessor's Workload
- Risk Funds Overview

Thursday, September 18 (Possible to conclude on Weds)

Discussion of Issues/Wrap Up

- Summary of Board direction

Tuesday, September 30



The County of El Dorado

Chief Administrative Office

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September 12, 2008

Memo To: Board of Supervisors
From: Gayle Erbe-Hamlin, Chief Administrative Officer
Subject: FY 2008-09 Addenda

On June 17, 2008 the Board of Supervisors adopted the FY 2008-09 Proposed Budget. At that time, the Board directed me to prepare a final budget for consideration upon the close of FY 2007-08 financial activity and the enactment of the State Budget. On Monday, September 15 at 9:00, the Board is scheduled to begin its budget hearings. The attached document provides the details of the recommended modifications to the FY 2008-09 Proposed Budget. At this point the State budget still has not been adopted. Therefore, these adjustments do not take into account any impacts from State budget decisions. Once the State budget is adopted, the Chief Administrative office will bring an item back to the Board if any additional budget adjustments are needed.

General Fund Balance Available. The FY 2008-09 Proposed Budget included estimated fund balance available of \$17,501,093. After the close of the fiscal year, the Auditor-Controller determined the amount of fund balance available as of June 30, 2008 at \$15,327,379, a decrease of \$2,173,714. This decrease is due to a \$3,319,000 long term cash advance to Mental Health from the General Fund.

Encumbrance Liquidation. The fund balance number also includes a change in the way that encumbrances were handled. In prior years, encumbrances left on the books at the end of the fiscal year automatically "rolled" into the new fiscal year. In an effort to clean up the encumbrances at the end of FY 2007-08 all encumbrances were liquidated. This liquidation increased the general fund balance available by \$655,376. Through the addenda process departments were required to request additional appropriations to cover any encumbrances that they needed to re-establish in the new year. Departments requested \$209,657 for encumbrance re-establishment. Therefore the net increase in fund balance available to help balance the addenda request was \$445,719.

Tier One and Tier Three Adjustments. The FY 2008-09 Addenda includes reductions totaling \$2,491,382 related to Tier One and Tier Three adjustments discussed and approved by the Board at the August 25, 2008 budget workshop. These adjustments are detailed in the chart below.

Department	Increased Revenues	Decreased Appropriations	Decrease in Net County Cost
Board of Supervisors		\$5,885	\$5,885
Chief Admin. Office		105,000	105,000
Treasurer-Tax Collector		69,000	69,000
County Counsel	41,166		41,166
Human Resources		30,000	30,000
Information Technologies	96,000	102,500	198,500
Surveyor		44,000	44,000
Non-Departmental	60,000	48,434	108,434
District Attorney		259,152	259,152
Sheriff		1,138,526	1,138,523
Probation		386,962	386,962
Agriculture	24,000	9,000	33,000
Library	66,400	5,360	71,760
Total	\$227,566	\$2,263,816	\$2,491,382

Policy Issues – Chief Administrative Office Recommendations

Law & Justice

- Sheriff – Discussion will focus on current demographics related to deputy staffing and the methodology behind the staff analysis. The Chief Administrative office is recommending the following:
 - Adopt the Patrol Allocation Study as an acceptable method of determining staffing needs.
 - The addition of 6.0 Deputies for the Casinos satisfies current staffing levels until statistics are available to determine future needs
 - Continue to review the Shift Relief Factor to ensure that adequate coverage is available to meet ongoing needs
- Casino – Attachment A is the current casino revenue projection. The Chief Administrative office is recommending that the Board hold off on discussions of the use for these funds until the Spring of 2009.
- Murder trials – The Chief Administrative office is recommending that the costs associated with the large volume of murder trials be looked at as “one-time” in nature. Additional staff should be provided utilizing extra help. General Fund contingency may be needed to offset costs in the Public Defender and Conflict Panel.
- Court Facility Transfer – An agenda item will be coming to the Board on September 23rd with detail regarding the Court Facility Transfer. The Chief Administrative Office is not recommending any changes in the Addenda budget related to this transfer.

Land Use & Development Services

- Department of Transportation (DOT) – Discussion will focus on the following topics:
 - Public utility franchise fees – The Department wishes to remind the Board of the discretionary nature of these fees. These fees currently total approximately \$1.1 million. These funds have traditionally been given to DOT and have satisfied Maintenance of Effort provisions tied to various other funding sources such as Gas Tax and Prop 42. The Chief Administrative Office is recommending that these funds continue to go to DOT for road related activities.
 - Five-Year CIP – Information will be provided regarding the level of work currently being performed from pre-paid TIM fees and the level of work anticipated to be performed with future TIM fees. The revised revenue estimates will be provided along with a list of impacted projects. The Chief Administrative Office is recommending the deletion of nineteen (19) FTE allocations based on the current needs and resources available within the Department.
 - Labor rates – Discussion will focus on the current methodology for determining DOT's labor rates and the process involved in auditing these rates. The Chief Administrative Office is not recommending any changes to this methodology or to the rates. These rates are in line with the private sector and have been audited by the State Controller and certified by Cal Trans.
 - Administrative staffing levels – The Department will provide detailed organization charts for each division focusing on the duties of Deputy Directors and Administrative Service Officers. The Director will discuss the current practice of off loading non-engineering work to the administrative staff. The Chief Administrative Office is not recommending any immediate change in administrative staffing. However the Human Resource Director is in the process of conducting a study regarding the supervisory role of the current Administrative Service Officers. This study is expected to be complete in October. If that study determines that there is little or no supervisory responsibility, there may be recommendations made at that time to downgrade some of these positions.

Health & Human Services

- Veteran Affairs – The Department will be providing information related to the number of out of County Veterans served. Current statistics indicate that 15% of veterans served are out of County residents. The Chief Administrative Office is recommending that these out of county veterans be provided with referral information to their County Veterans Service Officer. This should result in a reduction in the workload in the Veterans office. The Chief Administrative office is recommending a reduction of a .20 FTE.
- SB 163 – The Board requested additional discussion regarding the SB 163 Wraparound program. Human Services and Mental Health will be providing additional information on this program. The Chief Administrative Office is recommending that the program continue.

- Mental Health – The Department will be providing a financial plan to address current cash flow and operational shortfalls within the department. The FY 2008-09 addenda includes a decrease in General Fund fund balance of \$3,319,000 which was required to be loaned to Mental Health in order to offset their negative cash balance at year end. The Chief Administrative Office is recommending that this amount stay recorded as restricted fund balance and has not included the use of these funds within the General Fund in FY 2008-09. The Chief Administrative Office would like to come back to the Board at mid-year to re-evaluate the progress of Mental Health’s financial sustainability. As the Department becomes more solvent, some revenues may be available to “pay back” the General Fund. The General Fund would see the effect of this “pay back” in the form of increased available fund balance in future fiscal years.

General Government

- Revenue Recovery – The Treasurer-Tax Collector has requested that the revenue recovery unit be moved out of her office and into Child Support Services. Child Support Services supports this change. The Chief Administrative Office is recommending this change.
- Information Technologies – The current tape library is very old with the potential for failure. The replacement of this item is not included in the FY 2008-09 budget. Information Technologies would like to proceed with the bid for the item, but not add appropriations at this time. The Chief Administrative Office supports this request.
- Assessor – The Assessor will be providing information on current workload and the impacts that staffing reductions have on the closing of the roll. The Chief Administrative Office is not recommending any change to the Assessor’s current FTE allocation at this time.
- Aid to Fire – The Auditor-Controller has raised concerns regarding the two fire districts, Garden Valley Fire Protection District and Fallen Leaf Lake CSD, who do not “bank” exclusively in the County Treasury using the County’s accounting systems. The Auditor-Controller has requested that the Board withhold the subsidy to these two districts until after they have submitted their independent financial audits to the County. These payments typically are not made until January which should allow time for these two districts to submit their audits. The Chief Administrative Office concurs with the Auditor-Controller. The amount of the subsidy in the FY 2008-09 Proposed budget is \$205,285 for Garden Valley and \$60,454 for Fallen Leaf.
- Risk Funds – The Board will be provided with an overview of the risk funds. The Chief Administrative Office is recommending that the Risk Assessment continue to move forward. Results of this assessment will be brought back to the Board at a later date once the assessment is complete.

Changes in Personnel Allocations. The following summary provides proposed changes to personnel allocations. Attachment B contains written explanations within the individual department addenda summaries.

Department	Delete		Add	Net
	Filled	Vacant		
County Counsel		-1.0		-1.0
Recorder Clerk		-2.0		-2.0
Treasurer/Tax Collector	-7.0		1.0	-6.0
Department of Transportation		-19.0		-19.0
Environmental Mgmt.	-1.0			-1.0
Surveyor		-1.0		-1.0
Probation		-3.0		-3.0
Sheriff		-2.0		-2.0
Human Services	-0.5			-0.5
Child Support			5.0	5.0
Totals	-8.5	-28.0	6.0	-30.5

I thank my staff, as well as each Department Head and his/her staff, for their assistance in preparing the Budget Addenda for the Board's consideration. We look forward to assisting you as you complete your deliberations and adopt a final FY 2008-09 budget.

Respectfully submitted,

Gayle Erbe-Hamlin
Chief Administrative Officer

Attachment A

Assumption:	December 1, 2008 Opening	General Discretionary Funds					HOV Project \$5.2 Annually	Annual Total to County
		County Tax Revenue (HMT In-Lieu)	\$2M Annually (Yrs 1 - 7)	\$1.3M Annually (Yrs 8 - 20)	\$2.5M Annually (Yrs 8 - 20) 2% Escalator			
Timeline	Sheriff							
Advance Payment 6 months before opening Received March 2008	250,000						250,000	
Advance Payment offset - No payment for first two quarters after casino opens: Next payment June 2009	250,000						250,000	
Begin Annual Payments 365th day AFTER opening								
Year 1 begins December 2009	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 2 - 2010	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 3 - 2011	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 4 - 2012	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 5 - 2013	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 6 - 2014	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 7 - 2015	500,000	500,000	2,000,000			5,200,000	8,200,000	
Year 8 - 2016 *								
\$1.3 & \$2.5 Pmts begin on the last day of the 8th year	500,000	500,000		1,300,000	2,500,000	5,200,000	10,000,000	
Year 9 - 2017	500,000	500,000		1,300,000	2,550,000	5,200,000	10,050,000	
Year 10 - 2018	500,000	500,000		1,300,000	2,601,000	5,200,000	10,101,000	
Year 11 - 2019	500,000	500,000		1,300,000	2,653,020	5,200,000	10,153,020	
Year 12 - 2020	500,000	500,000		1,300,000	2,706,080	5,200,000	10,206,080	
Year 13 - 2021	500,000	500,000		1,300,000	2,760,202	5,200,000	10,260,202	
Year 14 - 2022	500,000	500,000		1,300,000	2,815,406	5,200,000	10,315,406	
Year 15 - 2023	500,000	500,000		1,300,000	2,871,714	5,200,000	10,371,714	
Year 16 - 2024	500,000	500,000		1,300,000	2,929,148	5,200,000	10,429,148	
Year 17 - 2025	500,000	500,000		1,300,000	2,987,731	5,200,000	10,487,731	
Year 18 - 2026	500,000	500,000		1,300,000	3,047,486	5,200,000	10,547,486	
Year 19 - 2027	500,000	500,000		1,300,000	3,108,436	5,200,000	10,608,436	
Year 20 - 2028	500,000	500,000		1,300,000	3,170,604	5,200,000	10,670,604	
Total Payments to the County	10,000,000	10,000,000	14,000,000	16,900,000	36,700,829	104,000,000	192,100,829	

Note: Agreement also includes an option for additional payments for increased slot machines @ \$100K per 100

Attachment B: Summaries of Department Addenda Changes

General Government

Board of Supervisors - Net County Cost reduction of \$5,885 (Tier 1 Adjustment)

The department is reducing appropriations for minor equipment, equipment maintenance service contracts, and software licenses.

Chief Administrative Office – Net County Cost reduction of \$105,000 (Tier 1 Adjustment)

The department is reducing appropriations for professional services. \$30,000 had been budgeted for consultant services related to the court facility transfer. These services are not needed. In addition, the department will terminate the state and federal legislative advocacy contracts.

Treasurer-Tax Collector – Net County Cost reduction of \$111,278

Tier 1 adjustments total \$69,000. The department is deleting two FTE's and adding one FTE for a net reduction of one FTE and a savings of \$58,100. Appropriations for transportation and travel are decreasing by \$900, and services and supplies are decreasing by \$10,000 due to the elimination of the annual sealed bid tax sale. Reductions in Net County Cost associated with the transfer of the Revenue Recovery unit to the Child Support Services Department total \$57,600.

Revenues are decreasing by \$15,322. Ten percent of the Transient Occupancy Tax (TOT) anticipated to be collected are budgeted in the Treasurer/Tax Collector's office to offset the expense of collecting this tax. The projection for this revenue is being reduced in Department 15, causing a corresponding reduction in the Treasurer/Tax Collector's office to maintain the proportionate split.

County Counsel – Net County Cost reduction of \$41,166 (Tier 1 Adjustment)

The department is increasing revenues by \$41,166 to recognize an anticipated developer reimbursement which will offset appropriations for outside legal services.

Human Resources - Net County Cost reduction of \$51,971 (Tier 1 Adjustment)

The department is reducing appropriations for services related to personnel investigations and recruitment publications by a total of \$30,000. Revenues are increasing by \$21,971. This is an estimation of revenues for HIPAA and privacy compliance services to be provided to the Mental Health, Public Health, and Human Services departments.

Appropriations and Revenues are decreasing in the Risk Management Special Revenue fund by \$2,060,000. This amount reflects adjustments to the budget resulting from adjustments to the cost applied rates for the Workers Compensation and General Liability programs.

Information Technologies – Net County Cost Decrease of \$95,564

The addenda for the Information Technologies department includes a net increase in revenue of \$96,000. Of this amount, \$20,000 reflects an increase in cable franchise fees and \$76,000 will be coming from Human Services and Child Support Services for IT support.

Appropriations are increasing overall by \$436. Reductions to the IT budget based on the Tiered Sustainability plan total \$102,500. Appropriations re-budgeted due to encumbrance liquidation and items not received at fiscal 2007-08 year end total \$102,936.

Designated Contributions – Fund Type 11

Revenues and appropriations are decreasing by \$162,005. The federal government did not extend the Secure Rural Schools and Community Self-Determination Act, which was the funding source for this program. As a result, intergovernmental revenues are decreasing by \$293,088. Use of fund balance is increasing by \$131,083, resulting in total revenues of \$442,345 for the fiscal year. Of this amount, \$355,367 is appropriated to fund existing contracts that were awarded in the prior fiscal year for community wildfire prevention and planning projects. The remaining amount of \$86,978 will be transferred to the Sheriff Department in support of the Search and Rescue program.

Facilities and Fleet Services – Net County Cost reduction of \$82,321

Appropriations are decreasing by \$82,321. This reduction is the result of the reorganization, and represents amounts that were not identified in the Proposed Budget.

Revenues and appropriations in the department's Rubicon Trail budget are increasing by \$25,300. This represents the remaining balance on the grant, which will be closed out this year.

Revenues and appropriations in the department's River Management Program budget are increasing by \$50,000. An operating transfer from the River Management Permit Fee special revenue fund offsets increased appropriations in professional services for a consultant contract to assist with the River Management Plan update.

Parks Accumulative Capital Outlay (ACO) Fund

Revenues and appropriations are decreasing by \$295,305. This amount represents adjustments to project balances based on project status at the end of FY 2007-08.

Facilities Accumulative Capital Outlay (ACO) Fund

Revenues and appropriations are decreasing by \$731,228. This amount represents adjustments to project balances based on project status at the end of FY 2007-08.

Elections – Net County Cost increase of \$12,005

Revenues in the division's operations budget are decreasing by \$12,005. The department anticipated this revenue in FY 2008-09; however it was actually received in FY 2007-08 as reimbursement for activities in that fiscal year. As a result, the FY 2008-09 budget must be adjusted. Revenues and appropriations in the department's HAVA 301 grant budget are increasing by \$492,281, reflecting the remaining balance on the grant for activities related to the voting system upgrade.

Law & Justice

Grand Jury – No Change to Net County Cost

District Attorney – Net County Cost Decrease of \$258,404

The addenda for the District Attorney includes appropriation reductions of \$259,152 identified in the Tiered Sustainability plan. This amount is comprised of an increase in revenue of \$25,000 for the Auto Insurance Grant and salary reductions totaling \$234,152.

Appropriations re-budgeted due to encumbrance liquidation and items not received at fiscal 2007-08 year end total \$4,453.

Another minor change is revenue coming from Public Health associated with a DUI grant in the amount of \$3,705. This revenue will offset appropriations already included in the Proposed Budget.

Public Defender – No Change to Net County Cost

Sheriff – Net County Cost Decrease of \$428,086

The addenda for the Sheriff's Department includes appropriation reductions of \$1,138,523 identified in the Tiered Sustainability plan. Significant staffing reductions include the elimination of 1.0 FTE Sheriff's Technician I, the elimination of 0.5 FTE Community Services Officer, and the elimination of 0.5 FTE Deputy Sheriff. The Department has proposed to offer retirement handshakes to two management sworn classifications. In the event that the handshake opportunity is accepted, these positions would remain vacant for two years and would result in savings of approximately \$663,840 for the two years. Also included is a reduction of general fund appropriations to the Boat Patrol. This program will continue be maintained with grant funding; however there will be no additional general fund contribution. Overtime has been reduced by \$250,000. The Department has also agreed to spread scheduled computer replacements over three years and to postpone some technology improvements to next fiscal year.

Other significant changes to the Sheriff's budget are as follows:

Appropriations re-budgeted due to encumbrance liquidation and items not received at fiscal 2007-08 year end total \$209,657.

Appropriations for the Automated Vehicle Location (AVL) system have been budgeted in the amount of \$776,827. This amount is offset by Rural County revenue that was included in the proposed budget. The AVL system was approved by the Board on April 29, 2008. At that time, it was assumed that appropriations had been encumbered in the FY 2007-08 budget. In the Proposed Budget, the Department had requested appropriations of approximately \$700,000 for the implementation of the AVL project. At that time, during budget preparation, it appeared that the project costs had been double budgeted so the FY 2008-09 appropriations were removed. However, after the Proposed Budget was adopted it was discovered that funds had not been encumbered in FY 2007-08 and the appropriation would need to be addressed in addenda. This project has not yet been implemented due to the lack of appropriations and will begin once the Board adopts the final budget. It should be noted that this project is 100% offset by Rural County revenue which the Department has been deferring for the past couple of years in order to fund this project. The shift in NCC cost appears because the Rural County revenue was included in the Proposed Budget, but the appropriations were not.

The addenda adds \$101,159 for the County match (100%) funds for the Emergency Management Performance Grant (EMPG). The grant supports emergency management at the State, Tribal and Local levels to encourage the improvement of mitigation, preparedness, response and recover capabilities for all hazards. The Sheriff's Department has received this grant for the past several years. The Sheriff's Department recently received the grant award letter. Approval of this appropriation will authorize the Sheriff to move forward with accepting the grant.

The addenda provides \$43,182 in revenue and offsetting appropriations from the Mentally Ill Offender Crime Reduction (MIOCR) grant through September 30, 2008. Once the State finalizes its budget the County will know whether this grant will continue or be eliminated completely.

The addenda includes \$100,000 in revenue from Asset Seizure funds and offsetting appropriations to facilitate moving staff from two leased offices located in Diamond Springs and Cameron Park to one larger office in Placerville. This move will provide greater efficiency and allow for future growth.

Revenue from Title III in the amount of \$86,978 has been added to offset expenses in Search and Rescue. This is the last year that Title III funds will be available as the funding source has been eliminated.

Revenue from the US Forest Service totaling \$46,000 has been added to the budget. A contract between the US Forest Services and the Sheriff's Department will offset costs associated with visitor protection and substance abuse law enforcement services on US Forest Service property.

Requested, but not included in the addenda is an appropriation of \$239,360 that results from the State passing Department of Justice forensic services to the County in the form of an annual charge. This charge has not been passed on to County's in the past, but was been absorbed by

the State General Fund. Since the State has not yet passed its budget, should this item be included, it will be brought back to the Board with other State related budget adjustments.

Revenue for Jail Booking Fees totaling \$186,000 included in the Proposed Budget have been eliminated since it appears that this funding will be eliminated from the State budget. Should this funding become available once the State adopts its budget, the addition of the revenue will be brought back to the Board with other State related budget adjustments.

Probation – Net County Cost decrease of \$306,100

The addenda for the Probation Department includes appropriation reductions of \$386,962 identified in the Tiered Sustainability plan. Significant staffing reductions include the elimination of 2.0 FTE Deputy Probation Officers and the elimination of 1.0 Legal Office Assistant I/II. In addition the department will be holding vacant for FY 2008-09 a 0.5 FTE Legal Office Assistant and a 1.0 FTE Deputy Probation Officer II - Institutions. The Department reduction also includes \$35,000 that has been used in the past to pay Mental Health for 20 hours of services provided at the Juvenile Treatment Center in South Lake Tahoe. The appropriation has been removed from the Probation budget; however, Mental Health will continue to provide these mandated services. The Probation Department also made several appropriation reductions in areas such as overtime, professional services, janitorial and office expense.

Other changes to the Probation Department budget are as follows:

Appropriations re-budgeted due to encumbrance liquidation and items not received at fiscal 2007-08 year end total \$47,058.

An increase in revenue of \$6,196 has been included to account for interest earnings identified by the Auditor's office resulting in a decrease to net county cost.

A reduction in grant funding from the Mentally Ill Offender Crime Reduction (MIOCR) grant in the amount of \$53,533 results in an equal reduction in appropriations in salaries and benefits. This grant funds a 1.0 FTE Deputy Probation Officer position. Partial funding remains to maintain the position for part of the 2008-09 fiscal year. Once the State finalizes its budget the County will know whether this grant will continue or be eliminated completely.

A reduction in revenue for Title IV-E totaling \$40,000 results in an increase to net county cost. This reduction is based on a change in Chief Probation Officers of California (CPOC) Title IV-E claiming guidelines.

An increase to Community Alliance to Reduce Truancy (CART) revenue of \$10,000 for interest based on FY 2007-08 trends has been adjusted in the budget. This revenue is offset by an appropriation in professional services in order for the department to perform the evaluation component of this program.

The addition of \$33,258 from a DUI Grant administered by Public Health has been added to the Probation budget. The revenue from this grant is offset by an equal appropriation adjustment for services Probation provides related to the grant so there is no change in net county cost.

As a follow up to a previous question, Black Oak Mine was not successful in obtaining their grant to fund a Deputy Probation Officer on their high school campus. However, the Probation Department has committed to having an officer on campus two days per week the same as the other high schools.

Land Use and Development Services

Surveyor – Net County Cost decrease of \$44,000 (Tier One Adjustment)

The Department is deleting 1.0 vacant FTE Assistant in Land Surveying position that was funded for 6 months for a total decrease in appropriations of \$44,000. This is a sustainable, Tier One adjustment and was presented and approved by your Board in August and has been factored into the five year projection.

Agriculture – Net County Cost decrease of \$33,000 (Tier One Adjustments)

The Department is increasing revenues \$24,000 and decreasing appropriations \$9,000 for a total decrease in Net County Cost of \$33,000. The increase in revenues is comprised of \$6,000 related to the implementation of a Wildlife Services trap fee and \$18,000 for an increase in charges for Device Registration. The \$9,000 decrease in appropriations is related to a decreased need in contract services. These are all sustainable, Tier One adjustments and were presented and approved by your Board in August and have been factored into the five year projection.

Development Services – No Addenda changes

Transportation – Increase in the General Fund Contribution to Airports of \$4,864

The Department is proposing to delete nineteen (19) FTE's from their total personnel allocation. These positions are vacant and currently unfunded. The Department is proposing to delete these positions based on current workload needs and available resources. The Chief Administrative Office concurs with this reduction.

General Fund (County Engineer)

No addenda changes.

Erosion Control - Fund Type 11

The Erosion Control budget unit ended FY 2007-08 with a negative fund balance of \$562,657 due to retention held by a granting agency. We were unable to record the retention as a receivable because the receipt of the funds will exceed 180 days. We are decreasing the use of fund balance and increasing revenue from the CTC by \$562,657. In addition we have included a minor adjustment between sub objects in both revenues and appropriations which has no overall affect on the budget.

Road District Tax (RDT) - Fund Type 11

The Auditor's Office has prepared a revised tax estimate for the FY 2008-09 tax year. The County Road District fund is projected to receive an additional \$215,404 in property taxes over the amount included in the proposed budget. Additional fund balance from FY 2007-08 of \$619 is also available. We are increasing appropriations by \$215,936 in operating transfers out to the Road Fund for operations and increasing appropriations by \$87 in Contributions to Other Governments, Cameron Park Airport for the FY 08-09 ERAF 1. Total increase to both appropriations and revenue is \$216,023.

Road Fund - Fund Type 11

It is recommended that the Road Fund operating budget be adjusted to reflect several changes in revenue. The State has provided local agencies with instructions for claiming the Prop 1B Addenda amount where our County's allocated share is \$828,631. This amount was not included in the proposed budget and is being included here. The estimates for other discretionary sources have been refined and in some cases reduced based on more current information with the estimated net increase in new discretionary sources being \$622,709.

Carryover items with \$499,492 in expense and \$452,167 in grant revenue are also being proposed for addition to the budget. The majority of these amounts are attributable to the Asphalt Milling Machine that was bid but not acquired in FY 2007-08.

These proposed addenda changes increase expenditure appropriations by \$962,247, increase revenue appropriations by \$1,431,233 (\$808,524 in restricted sources and \$622,709 in discretionary sources) and reduce the budgeted use of fund balance by \$468,986.

In addition to the changes in the FY 2008-09 budget, there are significant changes in the fund balance. The ending fund balance for FY 2007-08 available for Road Fund operations is \$9.4 million, which represents an increase of \$2.2 million compared to midyear projections. In summary, time and material billings for FY 2007-08 exceeded midyear projections by \$556,000 and the Department realized another \$1.2 million in expenditure savings over what was projected at mid year with a large portion of this amount attributable to contracted services.

Due to the uncertainties surrounding the State budget and the continued threats aimed at the Prop 42 revenue, the Department is recommending that this funding allocation be eliminated from the budget with an equal backfill amount being added from Fund Balance in the amount of \$2.7 million. If the Prop 42 revenues are ultimately made available to the County, the Department will come back to Board and make recommendations for the programming of these funds.

Capital Improvement Program (CIP)

The CIP budget is being adjusted to reflect recent changes to the 5 year CIP. Due to the current housing market, revenue projections have been reduced to reflect a decrease in permits within the Traffic Impact Mitigation (TIM) fee program. Due to this decrease in revenue and adjusted project schedules several projects have been moved to out years. Additionally project costs have been adjusted to reflect carry over from FY 2007-08. Both appropriations and revenue are being decreased in the CIP budget by \$1.9M.

Fee program	(8,654,110)
SCIP	9,693,000
State RIP	7,249,674
CMAQ	(4,086,483)
Misc. High Risk Revenue Sources	(7,553,071)
Federal RSTP	1,234,166
Miscellaneous Sources	180,970
Total CIP change in revenue	(1,935,854)

Special Districts – Fund Type 12

Changes are being made in the Special District funds primarily to adjust the use of fund balance to actual funds available for some of the zones. In instances where the available fund balance exceeds the current requirement these funds are not being budgeted at this time. The change in use of fund balance is \$152,799. Other revenues are being increased by \$23,070 to recognize minor adjustment in assessments as well as repayment of prior year formation costs. Appropriations are being increased \$175,869 to allow the zones to utilize the available fund balance.

Airports – Fund Type 31

The Department is requesting an overall increase in revenues of \$87,320 and appropriations of \$98,919 and an additional contribution of \$4,864 from the General Fund. The increase in appropriations is primarily to accommodate an increase in fuel and utilities related to Calstar operations now stationed at the Placerville Airport. These increases are offset with additional revenue.

SLT Transit - Fund Type 31

Prop 1B funds in the amount of \$126,465 were received in FY 2007-08 to purchase buses. The proposed budget included this amount as Use of Fund Balance. When we closed the books in FY 2007-08 this revenue was transferred to deferred, thereby eliminating all fund balance. The revenue will be realized in FY 2008-09, the same accounting period as the bus purchase. There is no overall change in appropriations or revenues.

Environmental Management – Net County Cost decrease of \$60,000 (Tier One Adjustment)

General Fund Operations – Fund Type 10

The Department is deleting one Sr. Vector Control Technician related to the West Slope Mosquito Abatement Program. This program is being reduced to a seasonal program only, eliminating the education and prevention activities. The net result is a decrease in revenues and appropriations of \$60,000. The Department will be giving back \$60,000 in franchise fee revenue to the General Fund. These revenues have been included in Department 15. This is a sustainable, Tier One adjustment and was presented and approved by your Board in August and has been factored into the five year projection.

Air Quality Management - Fund Type 12

The Air Quality Management budget is adjusted to reflect a net decrease in both revenues and expenditures of \$528,933 for no net change. Adjustments include a decrease in revenues and appropriations related to decreased fund balance available based on year end actuals for FY 2007-08.

Health and Human Services

Public Health – Increase to Net County Cost of \$18,192

General Fund – Fund Type 10

Revenues and appropriations for Animal Control are decreasing by \$308 resulting in no change Net County Cost. Revenue adjustments include a reduction of \$14,280 for revenues from the City of Placerville and City of Placerville for animal services. The adjustments are necessary to reflect the final contract that was approved for City of Placerville (contract was executed after the Proposed Budget was submitted) and adjusted revenues from City of South Lake Tahoe which are adjusted based on actual services received in FY 2007-08 (in accordance with the contract terms). An increase of \$14,512 in revenues from the Animal Control realignment fund is based on actual vs. estimated fund balance available at year end resulting in the net change of \$308. Appropriation changes include a reduction of \$24,000 for anticipated salary savings from vacant positions (primarily the Operations Manager position) and increases to various services and supplies line items to reflect increased costs for building maintenance, animal feed and fuel costs.

Public Health Programs - Fund Type 11

The addenda request for the Public Health special revenue fund results in a net increase in revenues and appropriations of \$962,020.

The increase in revenue is primarily comprised of \$239,713 in State revenues for Alcohol/Drug programs and Public Health Preparedness; \$485,639 in Federal funding from the Agency for Healthcare Research and Quality (AHRQ) Technology grant; \$64,072 from Alpine County for the Hospital Preparedness program; and adjustments to reflect actual vs. estimated fund balance at year end. Corresponding changes in appropriations are made to reflect the use of these revenues for the stated programs.

Special Districts - Fund Type 12

The addenda request for Public Health CSA's 3 and 7, results in a net increase of \$1,103,723 in revenues and appropriations. The increase in revenues is primarily associated with the contract with the Miwok tribe for ambulance availability and 50% of a new Medic Unit (\$922,500); the anticipated return of funds (savings) from the West Slope JPA of approximately \$517,120 (pending audit); \$273,208 in charges for ambulance services; and decreases to use of fund balance and anticipated property tax revenues. Adjustments to appropriations include an increase of approximately \$1.4 million for the West Slope JPA contract increases and movement of \$2.6 in CSA 7 for special projects. Appropriations for contingency are reduced by approximately \$1 million based on actual year end fund balance available.

Mental Health – No Change in Net County Cost.

The Addenda request for Mental Health includes adjustments to revenues and appropriations that will be provided under separate cover.

Human Services – Decrease in General Fund Contribution of \$48,434

Human Services – Fund Type 10 – No Change in Net County Cost

The Addenda request for Human Services General Assistance Programs includes an increase to revenues and appropriations of \$5,000 for reimbursement from Public Health to Human Services for indigent burials during FY 2008-09. Human Services is responsible for indigent burials under its General Assistance Program and maintains contractual arrangements with mortuaries to provide this mandated service. Public Health collects fees for issuance of disposition permits, a portion of which is mandated to be held in trust for this purpose.

The Addenda request for the Social Services Division includes an increase in revenues and appropriations of \$131,982 to use one-time-only Fraud Incentive Federal Revenues to purchase and install access/control security systems for the two Briw Road facilities in Placerville and the two offices on Silver Dollar in South Lake Tahoe. Also included is an appropriation adjustment for the purchase of \$25,000 in fixed asset equipment for permanent partitions to create adequate office space at the Briw Road facility. The cost is fully offset by one-time salary savings resulting from vacant administrative positions.

The Department is requesting two add/deletes to the personnel allocation for the Social Services Division. The deletion of 1.0 Eligibility Supervisor and addition of 1.0 Employment and Training Supervisor is a technical correction. The FY 2008-09 Proposed Budget included the fiscal impact of this change but the position allocation change was inadvertently omitted from the final personnel allocation resolution. The Department is also requesting to delete 1.0 Sr. Staff Services Analyst and add 1.0 Administrative Services Officer to align the allocation with Human Resources recommendations regarding these job classifications. There is no change to Net County Cost associated with these changes.

Community Services – Fund Type 11

The Addenda request for Human Services – Community Services Division results in a net increase to revenues and appropriations of \$43,193.

Adjustments include:

- Decrease of \$48,434 to the General Fund contribution for Aging Programs, specifically the Long-Term Care Ombudsman (reduced from 1.0 to 0.5 FTE), and reductions to the overmatch for the Preventive Health and Elder Abuse programs. These are sustainable, tier one reductions as identified in the August budget workshop.
- Increase in revenues and appropriations in the amount of \$36,000 from Community Enhancement Funds previously designated to enhance Senior Programs, to purchase

the security system and other minor equipment items for the El Dorado Hills Senior Center.

- Decrease intrafund transfer from Mental Health by \$10,000, which helped to fund the AAA/Project Uplift, aka Friendly Visitor Program, offset with a \$10,000 decrease in personnel. No change to General Fund Contribution.
- Decrease in revenues and appropriations of \$35,682 related to decreased fund balance available based on FY2007-08 year end actuals for the Community/Economic Development and Family Loan Program Revolving Loan Fund programs.
- Minor adjustments to reconcile interfund/intrafund transfers with a net decrease to estimated revenues and appropriations of \$4,923.

IHSS Public Authority and Public Housing Authority – Fund Type 12

As recommended by the Auditor-Controller's Office, Special Revenue funds have been established for the operation of El Dorado County's In-Home Supportive Services (IHSS) Public Authority (Fund 12-175) and Public Housing Authority (Fund 12-176). Sufficient balances must be maintained in these funds in order to prevent negative cash flow deficiencies from occurring.

El Dorado County Public Housing Authority received a \$200,000 cash advance from the General Fund several years ago and since that time has built a sufficient operating fund balance to reduce this advance to \$100,000 and return \$100,000 to the General Fund.

Conversely, the IHSS Public Authority's established reserve of \$230,000 must increase by \$100,000 to \$330,000 to cover cash requirements during the period between IHSS Public Authority quarterly claims and reimbursements from the California Department of Social Services (approximately 6 months at approximately \$55,000 per month). Program expenditures have increased as the number of IHSS providers reached the maximum allowed to receive health benefits in accordance with the provisions of the current MOU. It is anticipated that the number of providers receiving health benefits will increase further with the adoption of the new MOU currently under negotiation.

The net effect to the General Fund for the two cash advance adjustments is zero.

Veteran Affairs – No Change in Net County Cost

The Veteran Affairs budget is adjusted to reflect an increase in both revenues and expenditures of \$38,800 for no change in Net County Cost. The adjustment is necessary to re-budget unspent funds from FY 2007-08 for costs associated with the Veterans Outreach event scheduled for November 2008. Costs are fully funded from the Department's License Plate fund.

Library - Net County Cost decrease of \$71,760 (Tier One Adjustments)

The Department is increasing revenues \$78,784 and increasing appropriations \$7,024 for a total decrease in Net County Cost of \$71,760. Sustainable, tier one adjustments include an increase of \$66,400 for library tax revenues (\$64,000) and museum donations (\$2,400), and a decrease of

\$5,360 in museum operating expenses. Additional changes include an increase in revenues of \$12,384 from a state grant for the California Council for the Humanities Program, donations, and library fund balance with a corresponding increase in appropriations for the purchase of books and materials and replacement of the window coverings at the Main Library.

Child Support Services – Net County Cost Increase of \$57,600

The Department is increasing revenues \$313,162 and increasing appropriations \$370,762 for a total increase in Net County Cost of \$57,600. The adjustments reflect the transfer of the Revenue Recovery Unit from the Treasurer/Tax Collector's Office and results in no change in countywide Net County Cost. The Department's personnel allocation will also be revised to reflect the transfer of the current 5.0 FTE from the Treasurer/Tax Collector to Child Support Services.